

“Innovative Marketing Initiatives in a Franchised System”

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Innovative Marketing Initiatives in a Franchised System

Alex Maritz, Gideon Nieman

Abstract

The study empirically investigates an innovative marketing vision in a defined franchised system in the lucrative home entertainment industry. The research objectives are to investigate the current situation of entrepreneurial orientation in a franchise system, along with examining the contribution of a strategic service vision in relation to service quality. The purpose is to identify entrepreneurial behaviour amongst franchisees; franchising as an entrepreneurial option, and to identify relationships between elements of service quality, the service profit chain, relationship marketing and best practice. The outcome is the development of a conceptual matrix, to be initiated within the defined franchise system. Objectives are evaluated via research hypotheses, by using empirical statistical techniques. Inferential significance includes the ANOVA Kruskal Wallis hypothesis test with internal-consistency reliability measured by Cronbach's coefficient alpha. Results are indicative of an entrepreneurial orientation in a multiple-outlet system, and managerial implications include the implementation of an entrepreneurial service vision.

Key words: innovative marketing initiatives, service profit chain, service quality, best practice, relationship marketing, entrepreneurial service vision.

Introduction

Kuratka and Hodgetts (2004, p. 3) introduce entrepreneurship as, "an integrated concept that permeates an individual's business in an innovative manner". Entrepreneurs are individuals who recognize opportunities, often being aggressive change catalysts within the marketplace. In high growth, global, competitive economies the ability to grow businesses, create wealth, and sustain competitive advantage has become imperative (Acs, Arenius, Hat & Minniti, 2005, p. 12). Entrepreneurship is associated with adaptation and change of economic systems, often contributing to national economic growth (Bygrave, Reynolds & Autio, 2004, p. 5). Gartner (2001, p. 11) highlighted a dual approach to entrepreneurship, consisting of behavioural and trait approaches. He further went on to identify behavioural approaches as a set of activities involved in organisation creation, while in trait approaches an entrepreneur has a set of personality traits and characteristics. Complementing the trait approach, Bolton and Thompson (2004, p. 100) developed the temperament, talent and technique matrix; identifying facets of focus, advantage, creativity, team, social and ego. Bolton & Thompson (2003, p. 49) define an entrepreneur as "a person who habitually creates and innovates to build something of value around perceived opportunities". To this end, their definition is not only limited to the creation of new ventures, but also the exploitation of opportunities. Thompson (2002) identified character themes of the entrepreneur, applicable to the current study.

Franchising is seen as an entrepreneurial option towards creating and developing ventures (Bygrave, 1997). Michael (2003, p. 61) in agreement herewith, mentions franchising as a technique for entrepreneurs in service industries to assemble resources in order to rapidly create large chains and gain first mover advantage. Franchising is an arrangement between two parties whereby the franchisor grants the franchisee certain rights to sell a firm's products or services, as per guidelines set down by the franchisor (Nieman, 1998, p. 3). The franchise association of Southern Africa defines franchising as "a grant by the franchisor to the franchisee, entitling the latter to the use of a complete business package containing all the elements necessary to establish a previously untrained person in the franchised business and enable him or her to run it on an ongoing basis, according to guidelines supplied, efficiently and profitably". Mendelsohn (2003) emphasises that a franchise relationship is not self-sustaining, with basic issues being that the franchise

cannot succeed without successful franchisees, franchisors to devote resources to enhance franchisor/franchisee relations, franchisor duty to establish and sustain a viable business, a franchisors code of ethics, and a commitment that the franchisor must promote the basic principles upon which franchising is based. Franchisors in many sectors have recognised the benefits of multiple-unit franchisees (Johnson, 2004, p. 36), and this is seen as an entrepreneurial continuation of the franchise trend. Lindsay and McStay (2004, p. 3) further explored the entrepreneurial orientation of franchisees, together with the entrepreneurial drivers of franchisee performance. Their findings indicated a proactiveness regarding entrepreneurial orientation, together with a risk-taking entrepreneurial orientation.

The economic growth in service quality, related profit and competitive advantage potential has accelerated the competitive opportunities for companies who can excel in this discipline. The search for new approaches to enhance service quality and customer satisfaction led to the development of the scale SERVQUAL (Parasuraman, Berry & Zeithaml, 1988) that measures the discrepancy between consumers' perceptions and expectations. Zeithaml and Bitner (2003, p. 93) developed this model further, identifying five service quality dimensions, along with the scale developed to measure them. Dimensions include reliability, responsiveness, assurance, empathy and tangibles. In context, these dimensions represent how consumers perceive service quality. An adaptation is the development of SERVPERF (Cronin & Taylor, 1994), a service quality instrument applicable to the research project on hand.

Whilst service quality is directed towards customer satisfaction, the link to profit and growth of organisations led to the development of the service profit chain (Heskett, Sasser & Schlesinger, 1997, p. 12). This is a strategic service vision whereby there is a strong and direct relationship between customer satisfaction, customer loyalty and the value of the goods and services delivered to customers. Furthermore, there is a strong link between these elements and overall profit and growth of an organisation. Heskett *et al.* (1997) also identified three strategic implementation initiatives of retention, related sales and referrals; as integral components of the service profit chain.

Relationships between value chain participants (Porter, 1995) led to developments in the field of relationship marketing. Peck, Payne, Christopher and Clark (1999, p. 22) developed a revised version of the six markets model, which included internal, referral, influence, recruitment and supplier/alliance markets. The six markets model identifies all facets of internal and external relationships that can contribute towards an organisation's marketplace effectiveness.

Complementing the service vision further led to development of best practice initiatives, often adopted by innovative firms in competitive industries and environments. Such initiatives were regarded as pivotal for survival and achievement of competitive advantage (Porter, 1998). The Video Software Dealers Association of America (VSDA: 2001) identified best practice in the industry, as identified by Arthur Andersen Business consultants. These were wide ranging, including understanding customers and markets, developing vision and strategy, refining store product offerings, implementing the marketing plan, creating promotions and in-store merchandising, and clear in-store operations. Customer service findings included that best customer service is one-to-one, and strong relationships and loyalty are developed between staff and customers through consistency of management and staff, and personalising customer service.

An entrepreneurial orientation within a defined franchised system, coupled with service vision components, has been evaluated in the South African home entertainment industry. The industry has an oligopolistic supply channel, dominated by two corporate distributors. Retailers are in turn dominated by a few franchisors, operating on a national (and rest of Africa) basis. The market leader, Mr. VIDEO, was founded ten years ago, and has experienced this domination for the past five years. Mr. VIDEO has a market share of approximately 18%. Entrepreneurial behaviour will be evaluated within the context of this franchise system. The industry is a major contributor to employment and income, with the market valued at approximately R 600 million per annum. Since the home entertainment market is a product of technology, it aptly fits with the entrepreneurial characteristics of innovation and creativity.

Purpose and objectives of the study

The purpose of the investigation is to determine the entrepreneurial orientation of participants in a franchised system, coupled with the association of service vision constructs. Once explored, the entrepreneurial orientation and service vision constructs will be synergised to develop an innovative service vision within a franchised environment. The primary research question is to determine the entrepreneurial orientation within a franchised system. Secondary research questions include the determination of the contribution of franchising as an entrepreneurial option towards creating and developing ventures, together with contributions of the service profit chain, relationship marketing and best practice to service quality.

The first objective of investigating entrepreneurial orientation within the franchise system is based around the entrepreneurial character themes as depicted by Bolton and Thompson (2003, p. 62-80). The outcome of orientation will facilitate decision-making and implementation of the strategic service vision. The second objective, consisting of the four constructs (service profit chain; service quality, relationship management and best practice) associated with the vision, included investigation on issues relating to relationships within and between the constructs. An additional construct, the franchise paradox, measures the contribution of the franchise system as an entrepreneurial option towards creating and developing ventures (Bygrave, 1997). The final objective is the development of an entrepreneurial service vision, based upon the findings of the first two objectives. Such a matrix may be described as a full representation or description of the set of associations between these factors, including statements about the assumptions and interactions in the matrix (Page & Meyer, 2000, p. 7).

Hypotheses to be tested

The empirical nature of the study identifies hypothesis testing as an appropriate statistical technique. Hypothesis testing uses statistical techniques to support predictions arising from theory. This is done at a statistically significant level, in that hypotheses (predictions) are either accepted or rejected. Page and Meyer (2000, p. 23) define a hypothesis as “a testable speculative statement delineating the relations between all the elements of a theory”. The two hypotheses involved in hypothesis testing are the null and alternate hypotheses (represented by H0 and H1 respectively). H1 represents the research hypothesis, whilst H0 assumes the research hypothesis is false (Page & Meyer, 2000, p. 166).

The hypotheses supplement the research questions and objectives:

The primary hypothesis postulates that there is evidence of entrepreneurial orientation in a franchise system.

H1: Entrepreneurial orientation exists in a franchise system.

H0: Entrepreneurial orientation does not exist in a franchise system.

A proposition is introduced:

P1: Entrepreneurial orientation exists in a multiple-outlet franchise system.

The secondary hypotheses postulate that there is evidence of a positive association between:

- The franchise system and an entrepreneurial option towards creating and developing ventures
- The service profit chain and service quality
- Relationship marketing and service quality
- Best practice and service quality.

H2: The franchise system is an entrepreneurial option towards creating and developing ventures.

H0: The franchise system is not an entrepreneurial option towards creating and developing ventures.

H3: Service profit chain initiatives are positively associated with service quality.

- H0: Service profit chain initiatives are not positively associated with service quality.
H4: Relationship marketing initiatives are positively associated with service quality.
H0: Relationship marketing initiatives are not positively associated with service quality.
H5: Best practice initiatives are positively associated with service quality.
H0: Best practice initiatives are not positively associated with service quality.

Hypotheses testing includes non-parametric testing, indicative of the assumption that the dependent variable does not necessarily have a normal distribution (bell-shaped). Hypothesis tests produce P-values, measuring significance, whereby there is a chance that the null hypothesis is true (Malhotra *et al.*, 2002). Hypothesis tests include the Kruskal-Wallis one way ANOVA test, together with interaction tests for greater than one independent variables (Page & Meyer, 2003). Service quality, the dependent variable, will be measured by using similar inferential statistics as the stated hypotheses.

Research methodology

Research methodology comprises the survey approach, using electronic media and Surveypro analysis. This is facilitated by descriptive and inferential statistical techniques using SPSS version 11.0 data analysis. Inferential significance tests include the ANOVA Kruskal-Wallis hypothesis test; based on the approximation of the chi-square distribution with $k-1$ degrees of freedom. Internal-consistency reliability is measured by the Cronbach's coefficient alpha, measuring overall inter-item correlation between the identified constructs. Exploratory research, in the form of the literature review and previous empirical studies, are used as background and facilitating data.

Toward evaluating entrepreneurial orientation, character themes as identified by Bolton and Thompson (2003) were adapted for the study on hand. The character themes are presented in Table 1.

Table 1

Character themes to evaluate entrepreneurial orientation

| Association | Character Theme | Definition |
|-------------------------|-------------------------|--|
| Inventor | Mastery | Basking in expertise others don't have |
| Inventor + Entrepreneur | Creativity | Constantly buzzing with ideas |
| Entrepreneur | Opportunity taking | Engaging and taking on perceived opportunities |
| Entrepreneur | Urgency | Real drive to get on with things now |
| Entrepreneur | Performance orientation | Setting milestones and measuring progress |
| Entrepreneur | Networking | Developing a set of potentially valuable contacts |
| Entrepreneur + Leader | Focus | Concentrating on the task in hand, staying on course |
| Entrepreneur + Leader | Time focus | Setting, engaging and meeting deadlines |
| Entrepreneur + Leader | Ego | Wanting to make a recognised difference |
| Entrepreneur + Leader | Courage | Determination in the face of setbacks |
| Entrepreneur + Leader | Team | Getting the right people together |
| Leader | Strategic | Seeing a clear route forward |
| Leader | Envisioning | Communicating a strategy to others |
| Leader | Empowering | Getting people to accept responsibility for things |
| Leader | Influencing | Getting people to take things on, to provide resources |
| Entrepreneur enabler | Developer | Seeing and encouraging potential in others |
| Non-entrepreneur | Systematic | Enjoying detail, systems and procedures |
| Non-entrepreneur | Disciplined | Enjoying structure and organisation |
| Non-entrepreneur | Woo | Winning others over and enjoying their approval |
| Non-entrepreneur | Relator | Preferring to work with trusted colleagues |

Source: Bolton and Thompson (2003).

Results and findings

An empirical analysis of the data collected from the questionnaire is segregated into response sections.

Realisation, response and representation of results

The use of a Surveypro electronic media questionnaire was facilitated by instruction from the franchise system management to duly complete the questionnaire. A satisfactory representation across regions was elicited; with the overall response rate achieved 11% over the targeted response rate. The response and representation of the data were found to be appropriate for the research project at hand. The final data representation of the applied tailored design approach consisted of 93, indicative of an 84% response rate.

Section A: Demographic and biographic information

Eight demographic and biographic variables were evaluated in Section A. Highlights included:

- White male domination of franchisees within the defined franchise system. Females represent only 26% of franchisees; whilst franchisees of colour only represent 2% of franchisees. The defined franchise system is in a position of vulnerability regarding legal aspects of transformation in South Africa
- The Western Cape, Gauteng and Eastern Cape dominate franchise system distribution; being accountable for 75% of outlets.
- The majority of franchisees have been in the defined system in excess of three years, and new entrants are predominantly new ventures, as opposed to the sale of existing outlets
- Part-time and full-time employee contributions are similar. Those outlets employing more than one family member employ less full-time staff. Franchisees with one outlet employ no more than two full-time employees; whilst multiple-outlet franchisees employ no more than nine employees
- 73% of franchisees own only one outlet. Multiple-outlet franchisees dominate in Western Cape and Free State. Western Cape and Gauteng are the only regions with six or more outlets belonging to a single franchisee
- 63% of franchisees are solo family members involved in the franchise system.

An overall highlight regarding demographic and biographic responses was the variance between single and multiple-outlet franchisees. These variances are acknowledged in the following section.

Section B: Entrepreneurial orientation

The measurement instrument used to evaluate entrepreneurial orientation in the defined franchise system was an adaptation of the Thompson (2002) character theme framework. The objective was to evaluate entrepreneurial orientation in a franchised environment. The study involved a two-tiered approach, from an overall and multiple-outlet perspective. The defined franchise system was characterised by a predominantly single outlet distribution of franchisees. This had a distinct implication on the entrepreneurial orientation of the system, with each tier identifying different character themes.

Overall system entrepreneurial orientation

The non-entrepreneurial association factor, closely followed by the leader association factor, dominated the responses. It was found that entrepreneurial orientation is not denied within the system, however, it is not significantly justified either. Highlights included:

- The non-entrepreneurial character theme of “relator” dominates score ratings. The implication is that franchisees prefer to work with trusted colleagues, most often associated to networks and relationships
- The leader character theme of “influencing” is next, placing emphasis on providing resources and getting people to take things on. This is followed by the character themes of envisioning and strategy, also from the leader association

- The entrepreneur character theme of “opportunity taking” ranks as the least desirable of all themes, implying that franchisees are not prone to engaging and taking on perceived opportunities. The inventor character theme of “mastery” ranks second to last, implying that franchisees do not bask in expertise others don’t have
- Seven of the entrepreneurial orientation themes do not feature in the top ten themes favoured by respondents. These include creativity, opportunity taking, urgency, time focus, ego and courage
- The only character themes of entrepreneurial orientation featuring in the top ten of responses include “performance orientation”, “networking” and “focus”. None are however in the top ten preferences.

The dominant non-entrepreneur association, coupled with leader association may be related to themes within the intrapreneur focus. As franchising involves a network system, it closely resembles a corporate identification, with linkage to entrepreneurship (franchisees as distribution outlet owners). Whilst factor means are all above three, no statistical significance exists between the factor associations. The non-entrepreneur association dominates, followed by leader associations. Using factor mean scores, it may thus be inferred that a non-entrepreneurial orientation exists within the franchise system (due to non entrepreneurial mean score domination). Although the entrepreneur factor association is positive (factor mean score of 3.26), the non entrepreneur association is four per cent stronger (factor mean score of 3.54). Taking all respondents within the defined franchise system into account, it may be concluded that there is no statistical significant variation between entrepreneurial orientation factors, despite non entrepreneurial associations exhibiting more favourable responses.

Multiple-outlet entrepreneurial orientation

The responses from multiple-outlet franchisees differed significantly from single outlet franchisees. The same measuring instrument is analysed, using cross tabulation to identify variances. Highlights included:

- Entrepreneurial character themes of “urgency” and “performance” dominate character theme ratings for multiple-outlets
- Non-entrepreneurial character theme of “relator” dominates character theme ratings for single outlets
- The non-entrepreneurial character theme of relator is significant in multiple-outlet responses. This is attributable to the functionality of the franchise system, and interaction with trusted colleagues. Trust and relationships are further highlighted in subsequent sections
- The entrepreneur association is the strongest of the associations for multiple-outlets
- The non-entrepreneur association is the dominant association for single outlets
- The greater the number of multiple-outlets per franchisee is, the greater the entrepreneurial association appears to be
- Weighted regional contributions identify Gauteng and Western Cape as dominant regions.

It can therefore be concluded that a significant entrepreneurial orientation exists in a multiple-outlet franchise system. This investigation in no way negates entrepreneurial orientation in single outlet franchise systems, but places emphasis on significant entrepreneurial associations in a multiple-outlet franchise system.

Section C: The franchise paradox

This section evaluated franchising as an entrepreneurial option for creating and developing new ventures. The study commenced with a background of the franchise paradox, evaluating franchisees in the system and finally the paradox link to franchising. Highlights included:

- Relationships + effort ranked the highest of all franchise paradox associations; closely associated to relationships + trust. The implication is the importance of franchise relationships not being self-sustaining

- Entrepreneurship associations rated relatively poorly compared to other variables. Multiple-outlet responses however favoured entrepreneurial associations
- The majority of franchisees rejected entrepreneurial associations of creativity and productivity in the system. Multiple-outlets however favoured these associations
- 87% of franchisees believe conflict handling and franchisee contributions are not optimal in the system
- The majority of franchisees believe the system meets with their business objectives
- The majority of franchisees believe that the defined franchise system is an entrepreneurial option for creating and developing ventures, particularly so in the case of multiple-outlet franchisees.

It can, therefore, be concluded that the franchise system is seen as an entrepreneurial option for creating and developing ventures. This association is however most significant in a multiple-outlet environment.

Section D: The service profit chain

The service profit chain (SPC) was represented in section D of the questionnaire (questions 39-48). Associated themes within the construct included SPC links, retention, related sales and referrals. The objective of the study was to evaluate the association of SPC to service quality (SQ). Highlights included:

- SPC links and satisfaction are the dominant association, implying significant correlation between employee and customer satisfaction
- Retention and relationships are the next most dominant association, implying significant correlation between retaining customers and internal marketing
- Retention and lifetime value of customers are not adequately measured in the franchise system, implying neglect to loyal customers
- SPC links and best practice initiatives are not adequately communicated in the system, an implication of poor performance management on behalf of the franchisor
- Retention and feedback are depicted as inadequate in the system, implying the lack of optimal customer feedback channels.

Despite a few associations being inadequate within the defined franchise system, service profit chain initiatives were positively associated with service quality.

Section F: Relationship marketing

Relationship marketing (RM) was represented in section F of the questionnaire. Associated themes within the construct included customer markets, internal markets, referral markets and recruitment markets. The objective of the study was to evaluate the association of RM to service quality (SQ). Highlights included:

- Referral markets dominate response ratings. The implication is the associated positive link to word-of-mouth, lifetime value and loyal customers
- Internal markets rated high in the relationship associations, implying the relative importance of quality of worklife and relationships between franchisee and franchisor
- Recruitment markets dominate dissatisfaction in the system, implying discontent with optimal association and industry alliances. Furthermore, franchisees identify the measurement of franchisee satisfaction levels as dismal
- Internal markets rated poorly in the supply chain, with franchisees doubting the integrity of major suppliers

In conclusion, relationship marketing initiatives were positively associated with service quality.

Section G: Industry best practice

Industry best practice (BP) was represented in section G of the questionnaire. Associated themes within the construct included understanding customer markets, developing strategy and vision 1 and 2, refining offerings, influencing the marketing plan 1 and 2 and 3, promotion and in-

store merchandising, and clear in-store operations 1 and 2. The objective of the study was to evaluate the association of BP to service quality (SQ). Highlights include:

- Promotion and in-store merchandising dominate the best practice associations, implying the importance of physical evidence tangibles in the service offering
- Implementing the marketing plan with regard to community involvement also dominates best practice associations; indicative of the link between localized marketing and awareness and loyalty
- Clear in-store operations regarding operating procedures are regarded as poorly documented by the majority of franchisees; as is the use of direct mail
- Best practice initiatives are not adequately communicated within the defined franchise system, implying discontent with overall communication within the system
- Developing strategy and vision is regarded as undeveloped, particularly regarding single outlet franchisees. Implications include lack of long-term business planning, vision and direction.

In conclusion, best practice initiatives were positively related to service quality.

Section E: Service quality

Service quality (SQ) was represented in section E of the questionnaire. Associated themes within the construct included reliability 1 and 2, responsiveness 1 and 2, assurance 1 and 2, empathy 1, 2 and 3 and tangibles. The objective of the study was to evaluate the association of variables within the service quality construct. Highlights included:

- High responses across all themes, with the highest being empathy. The implication is that of employees meeting the needs and wants of the consumer
- Exceptionally high correlation between all variables within the construct
- Only 4% of franchisees responded negatively to the entire construct.

In conclusion, service quality variables were evaluated as an appropriate measure of the service quality construct; exhibiting significant item-total correlation and reliability coefficients. The variables were thus considered appropriate to test the associations to the service profit chain, relationship marketing and best practice constructs.

Key construct summary statistics

The summarized descriptive and inferential statistics of the identified constructs are tabulated in Table 2. This will provide a snapshot of the relative associations between the constructs. All hypotheses as stated have been accepted, with the exception of an entrepreneurial orientation in a franchised home entertainment system. The proposal of an entrepreneurial orientation in a multiple-outlet franchise system has however been accepted.

Table 2

Construct summary statistics

| Construct | Mean | Standard deviation | Kurtosis | Crobach's Alpha | Kruskal-Wallis | Hypothesis |
|--|------|--------------------|----------|-----------------|----------------|-------------------|
| Entrepreneurial orientation | 3.39 | 0.995 | -0.339 | 0.7277 | 0.013 | rejected |
| Entrepreneurial orientation (multiple-outlet proposal) | 3.70 | 0.917 | 1.076 | 0.8533 | 0.191 | proposal accepted |
| Franchise paradox | 3.21 | 0.963 | 1.041 | 0.7748 | 0.771 | accepted |
| Service profit chain | 3.38 | 0.762 | 3.088 | 0.8335 | 0.563 | accepted |
| Relationship marketing | 3.17 | 0.749 | 2.005 | 0.7937 | 0.117 | accepted |
| Best practice | 3.31 | 0.799 | 2.123 | 0.7893 | 0.172 | accepted |
| Service quality | 3.80 | 0.635 | 5.570 | 0.9344 | 0.771 | not applicable |
| Overall study <i>n</i> =93 | 3.42 | 0.83 | 2.129 | 0.8152 | 0.371 | not applicable |

Development and recommendation of an entrepreneurial service vision

The constructs of entrepreneurial orientation, franchise paradox, service profit chain, relationship marketing, best practice and service quality are now combined towards the development of a conceptual entrepreneurial service vision matrix. The matrix is a full representation of the set of associations between these constructs; linking the theory, empirical research and recommendations. Figure 1 represents the conceptual matrix. Highlights of the findings include the possibility of enhancing the diversity within the system, increasing multiple-outlet participation rates and implementation of an entrepreneurial service vision.

Conclusions and future research

Theoretically, the value the investigation provides will be in understanding that the home entertainment industry is worthy of developing a body of knowledge, to be shared by all industry participants. Similarly, linking entrepreneurship, franchising and strategic service in the form of a matrix may be of interest and application to other academic disciplines. This will facilitate both researchers and students in related business management disciplines.

As a contribution to practice, the entrepreneurial service vision will enhance the longevity of the industry, together with sharing entrepreneurial service vision recommendations to all industry participants. As such, the general oligopolistic nature of major industry participants will be dissolved; making the industry more accessible, creating more employment, and increasing industry participants. Since the industry is a product of technology, the identification of entrepreneurial behaviour of franchisor/franchisees will highlight the re-defining of industry practices.

This study, the first of its kind in the home entertainment industry and in the specific organisation, will smooth the way for implementation of entrepreneurial franchise service initiatives in the organisation. It will also assist franchisees in their advancement in the organisation and could be used to complement other programmes within the home entertainment, entrepreneurial and franchised communities.

On a macro level, successful implementation of the matrix will enhance industry participation; together with entrepreneurial contributions towards the creation of wealth, economic growth and creation of employment in a dynamic, yet turbulent developing economy such as South Africa. As such, the study will enhance South African companies' competitive advantage in an international marketing environment.

Future research opportunities primarily revolve around the identified limitations, predominantly related to the franchise system being evaluated. The sample size of the data sets needs to be increased. This may be implemented by a number of alternatives. Firstly, similar studies should be conducted within other home entertainment franchise systems in the South African market. Secondly, similar studies should be conducted within other industry franchise systems in the South African market. Thirdly, similar studies should be conducted within other franchise systems on an international basis.

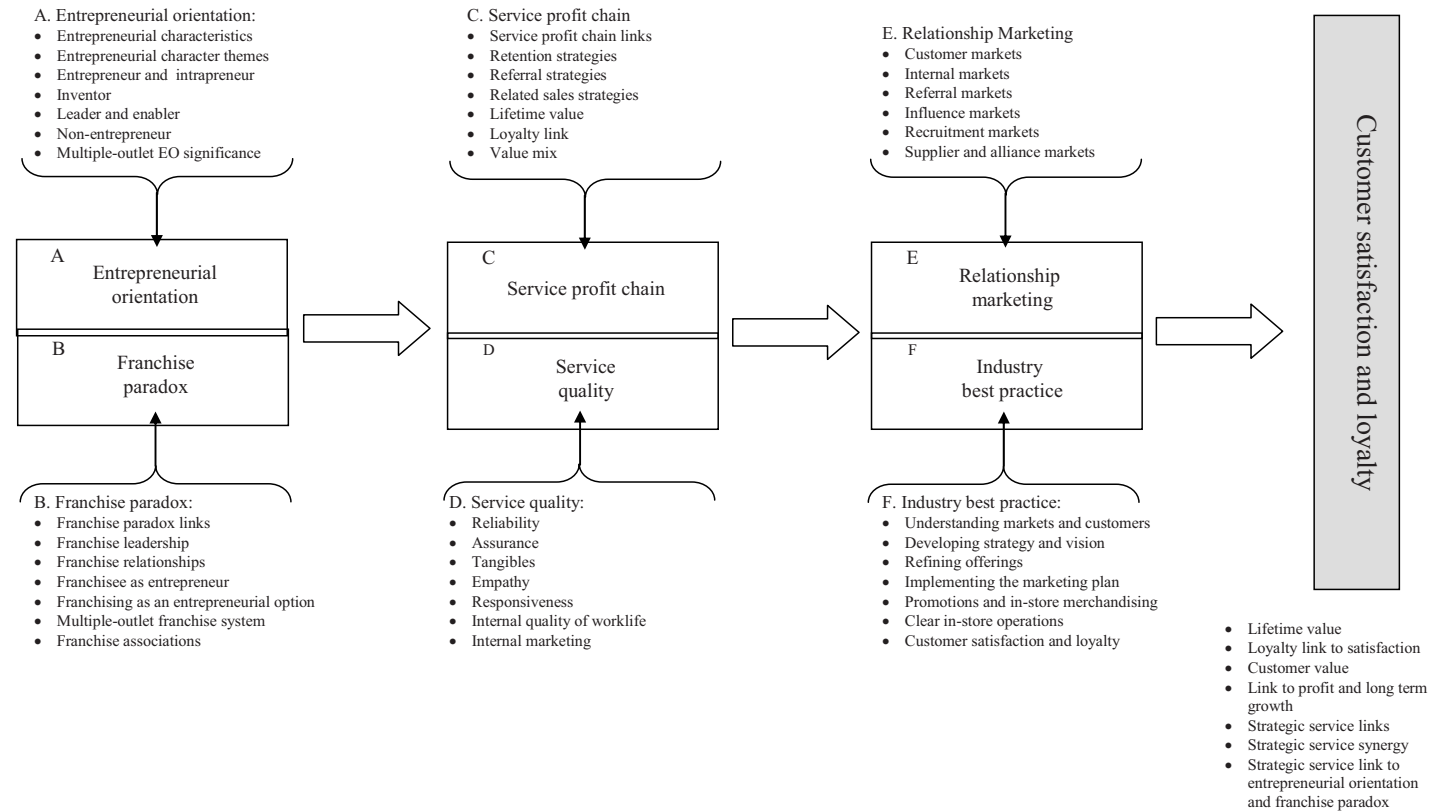


Fig. 1. A conceptual matrix of an entrepreneurial service vision in the franchised home entertainment system

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